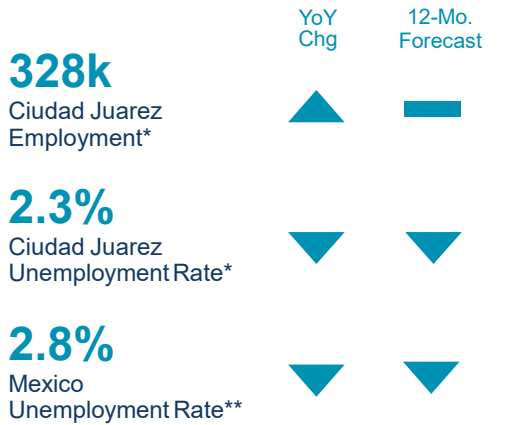


## Industrial 2H 2023



### ECONOMIC INDICATORS 2H 2023



\* Desarrollo Economico de Ciudad Juarez: Juarez Outlook Report – June 2023

\*\* INEGI: Indicadores de Ocupación y Empleo - Dec 2023

### ECONOMY

According to the Economy Secretariat of Mexico, in November 2023, international sales of Ciudad Juarez totaled \$5,036,000 United States Dollars (USD). According to a report from the region of this same State agency, in 2023 Juárez had a poverty rate of 23.77%, 12.04 percentage points lower than the state of Chihuahua average of 35.81%. The city closed the year with a stable economy.

### DEMAND

The second half of the year closed with positive industrial activity consisting of approximately 1.4 million square feet (msf) of gross absorption. Net absorption reported at 599,000 square feet (sf), which represented a decrease of almost 70% compared to the first half of 2023. A total of 13 transactions were closed during the second half of the year. During the same period of the previous year, 26 negotiations were closed. During 2023, there was a 55% drop in total industrial activity compared to 2022.

The construction of new buildings continued to rise. During the second semester of 2023, 1.2 msf of completed construction was delivered consisting of five speculative buildings. 5 msf of speculative buildings remain under construction projected to be completed in 2024. Roll over vacancies in Class B buildings from last semester coupled with the addition of new space delivered this semester, increased the vacancy rate to a reported 6.0% from 1.5% in the first half of 2023.

### PRICING

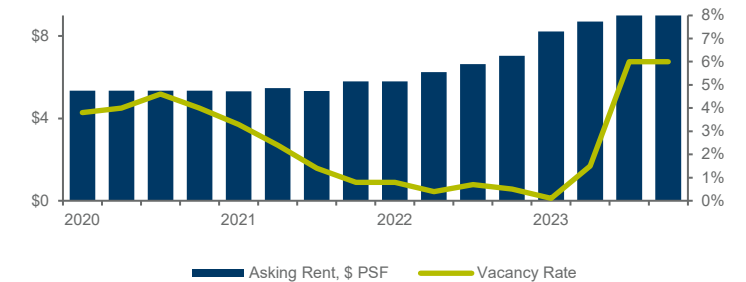
Although in the second half of 2023 there was a notable contraction in the demand for industrial space, rental prices continued to increase. The year closed with an average rental price around \$9.00(USD)/SF/YR, which represents a 9% increase from the first half of 2023.

2024 brings with it the challenge of a high supply of speculative space and moderate demand. Therefore, we project that rental prices will stabilize, although we do not see them going down. We anticipate rental prices will not continue to rise at the same rate they have since 2021.

### SPACE DEMAND / DELIVERIES



### OVERALL VACANCY & ASKING RENT





## Industrial 2H 2023

## MARKET STATISTICS

BUILDING TYPE	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	LEASING ACTIVITY	OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT
Class A	46,371,294	4,066,415	8.8%	944,152	877,655	2,768,238	5,055,687	1,179,275	\$9.00
Class B	23,421,320	593,430	2.5%	294,387	58,050	-309,375	0	0	\$6.75
Class C	10,646,054	196,029	1.8%	31,199	-336,383	-127,588	0	0	\$4.85
<b>CIUDAD JUAREZ TOTALS</b>	<b>80,438,668</b>	<b>4,855,874</b>	<b>6.0%</b>	<b>1,269,738</b>	<b>599,322</b>	<b>2,331,275</b>	<b>5,055,687</b>	<b>1,179,275</b>	<b>\$7.92</b>

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Northeast	17,703,241	181,000	1.0%	501,586	265,249	92,000	520,737	0	\$6.84
Northwest	16,656,464	640,304	3.8%	0	-267,582	303,505	193,752	0	-
Southeast	40,698,200	4,034,570	9.9%	719,424	552,927	1,887,042	3,546,550	1,179,275	\$9.00
Southwest	5,380,763	0	0.0%	48,728	48,728	48,728	794,648	0	-
<b>CIUDAD JUAREZ TOTALS</b>	<b>80,438,668</b>	<b>4,855,874</b>	<b>6.0%</b>	<b>1,269,738</b>	<b>599,322</b>	<b>2,331,275</b>	<b>5,055,687</b>	<b>1,179,275</b>	<b>\$7.92</b>

\*Rental rates reflect weighted net asking \$psf/year

## KEY LEASE TRANSACTIONS 2H 2023

PROPERTY	SUBMARKET	TENANT	SF	TYPE
VPJO 4	Northeast	BRP	273,000	New Lease
VPJO 5	Southeast	Sage	210,800	New Lease
HUBS PHASE I	Southeast	BPI	130,918	New Lease
Yuka Industrial Bldg.	Southeast	Bordertrade	111,945	New Lease
Vesta - Q01	Southeast	Eaton	101,766	New Lease

\*Renewals not included in leasing statistics

## KEY SALES TRANSACTIONS 2H 2023

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$ PSF
No sales registered				

## KEY CONSTRUCTION COMPLETIONS 2H 2023

PROPERTY	SUBMARKET	DEVELOPER	SF	TYPE
CDJ Indep South III	Southeast	Centinela Property	321,819	Speculative
CJ03A - INV	Southeast	Roca Desarrollos	146,871	Speculative
Bravos X	Southeast	Los Bravos	274,531	Speculative
FN Spec B	Southeast	Fibra Nova	214,318	Speculative
Axial Pinoncelli	Southeast	Grupo Axial	221,736	Speculative

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